

September 24, 1980

12251
REGISTRATION NO. FIRM 1475

SEP 29 1980 - 3 10 PM

Secretary

INTERSTATE COMMERCE COMMISSION
Interstate Commerce Commission
Washington, DC 20423

Date 9/30/80
Fee \$ 50.00
ICS Washington, D.C.

Dear Sir:

Pursuant to Section 1116.3 and 1116.4 of the Regulations, please find enclosed an original Security Agreement and two counterparts thereof for recording and a check in the amount of \$50.00 to cover the cost of same.

The Lender and Secured Party is Central Bank, 301 20th Street, Oakland, California, and the debtor (s) is/are John R. Perrott
P.O. Box 296, Loleta, Ca. 95551

The equipment which is the subject of the Security Agreement is a 100 ton truck covered hopper railcar, identifying marks RRRX 1 1 2 6, AAR mechanical designation "LO".

When the recordation is complete, please return the original document to Central Bank, 301 20th Street, Oakland, California, 94612, Attention: Barbara Galvez.

Thank you for your assistance in this matter.

Very truly yours,

Roger K. Williams
Roger K. Williams *RK*

Vice President and
Commercial Loan Supervisor

RKW/km

Interstate Commerce Commission
Washington, D.C. 20423

10/7/80

OFFICE OF THE SECRETARY

**Roger K. William VP.
Central Bank
301 20th Street
Oakland, California 94612**

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **9/29/80** at **3:10pm**, and assigned re-
recording number(s). **12251**

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SECURITY AGREEMENT
(BANK NOT TO BE IN POSSESSION)

GOODS—Consumer Goods, Equipment, Farm Products and Timber under Contract to be Cut and Removed.

In consideration of the covenants and agreements contained herein, and financial accommodations given, to be given or continued, the undersigned Borrower hereby, pursuant to the California Uniform Commercial Code, grants to the Secured Party (Bank) a security interest in all of the Collateral described in paragraph 3 herein. The security interest created by this Agreement attaches immediately upon execution hereof or as soon as Borrower acquires rights to the Collateral and secures payment of any and all of Borrower's Indebtedness (including all debts, obligations, or liabilities now or hereafter existing, absolute or contingent, and future advances) to Bank.

1. BORROWER(S)

a. JOHN R. PORROTT
Name Social Security or Employer Number
b. 7700
Trade Name (if any)
c. 7700 Central International Pipeline P.O. Box 2166 Houston, Texas 7700
Mailing Address City State Zip
d. 7700 Loleta, California 94601
Chief Place of Business City State Zip
e. 7700 Loleta, California 94601
Residence (individuals) City State Zip

2. SECURED PARTY—Name and Mailing Address (Transit and A.B.A. No.)

Central Bank 301 20th Street, Oakland, Calif. 94612

3. COLLATERAL DESCRIPTION (AND LOCATION):

100' x 30' steel covered hopper railcar

Identifying marks R & R X 1 1 2 6

MR mechanical designation 110"

12251
RECORDATION NO. Filed 142b

SEP 30 1980 -3 10 PM

INTERSTATE COMMERCE COMMISSION

4. PURCHASE MONEY SECURITY INTEREST:

_____ If indicated by Borrower's initials, Bank is giving value to enable Borrower to acquire rights in, or the use of, Collateral.

5. INCORPORATION OF PROVISIONS ON REVERSE: All provisions on the reverse side are incorporated herein as if set forth fully at this point.

Dated Sept 12, 1980
X John R. Porrott

By _____
Title John R. Porrott

SIGNATURE OF BORROWER(S)

SECURITY AGREEMENT

(BANK NOT TO BE IN POSSESSION)

I. WARRANTIES AND REPRESENTATIONS. Borrower warrants and represents that:

1. **Borrower's Title**—Except as specified herein, Borrower has, or upon acquisition will have, title to all Collateral and no other person, entity, agency, or government has or purports to have, or upon acquisition will have, any right, title, lien, encumbrance, adverse claim, or interest in any Collateral.
2. **Borrower's Authority**—Borrower has authority to enter into the Agreement and any person signing it on Borrower's behalf has been duly authorized to execute the Agreement for Borrower.
3. **Information**—Any and all information now or hereafter supplied to Bank by Borrower, or at Borrower's request or instruction is correct.

II. COVENANTS AND AGREEMENTS: Borrower covenants and agrees that:

1. **Payment**—Borrower will pay any of Borrower's Indebtedness to Bank promptly when due and Borrower will repay immediately and without demand, all expenses (including reasonable attorneys' fees, legal expenses and costs) incurred by Bank under the Agreement with interest at the legal rate from the date of expenditure.
2. **Financial Condition**—Borrower will not commence nor permit to continue any proceeding in bankruptcy, receivership, or similar proceedings concerned with involuntary liquidation, reorganization or dissolution or arrangements with creditors, nor will it commit any act of bankruptcy, nor make an assignment for creditors, or become insolvent.
3. **Additional Information**—Borrower will, upon Bank's demand, establish the correctness of any information supplied to Bank and will promptly notify Bank of any adverse changes in any information supplied to Bank and of any change in Borrower's residence, chief place of business or mailing address, and of any change of address to which notices should be sent.
4. **Additional Documents**—Borrower will execute any additional agreements, assignments or documents that may be deemed necessary or advisable by Bank to effectuate the purpose of the Agreement.
5. **Location and Identification**—Borrower will keep the Collateral separate and identifiable and at the location described herein and will not remove the Collateral from that location without the Bank's written consent.
6. **Sale, Lease, or Disposition**—Except as specified herein, Borrower will not, without written consent of Bank, sell, encumber or otherwise dispose of or transfer any Collateral or interest therein or permit or suffer any such disposition or transfer until the Indebtedness to Bank has been completely discharged.
7. **Maintenance, Repair, Use and Inspection**—Borrower will maintain and repair the Collateral; will use the Collateral lawfully and only within Insurance coverage; will not use the Collateral so as to cause or result in any waste, unreasonable deterioration or depreciation; and will permit Bank to enter on Borrower's property and to inspect the Collateral at any reasonable time.
8. **Cultivation and Animal Husbandry**—If the Collateral is timber, crops or livestock, Borrower will protect and cultivate, or husband the Collateral using methods of cultivation and animal husbandry acceptable to Bank.
9. **Insurance**—Borrower will insure the Collateral, with Bank as Loss Payee, in form and amounts, with companies, and against risks and liability satisfactory to Bank and hereby assigns the policies to Bank, agrees to deliver them to Bank at Bank's request, and authorizes Bank to make any claim thereunder, to cancel the insurance upon default, and to receive payment of and endorse any instrument in payment of loss or return premium or other refund or return.
10. **Decrease in Value of Collateral**—Borrower will, if in the Bank's judgment the Collateral has materially decreased in value, either provide enough additional collateral to satisfy the Bank or reduce the total indebtedness by an amount sufficient to satisfy the Bank.
11. **Taxes-Assessments-Charges-Liens-Encumbrances**—Borrower will pay when due all taxes, assessments, charges, liens or encumbrances now or hereafter affecting the Collateral, and, if the Collateral is on or attached to realty owned by Borrower, the realty on which the Collateral is located.
12. **Defense of Title**—Borrower at its own cost and expense will appear in and defend any action or proceeding which may affect the Bank's security interest in or Borrower's title to any Collateral.
13. **Appointment of Bank as Attorney in Fact; Reimbursement**—Borrower will and hereby does appoint Bank as Borrower's Attorney in Fact to do any act which Borrower is obligated by the Agreement to do, to exercise such rights as Borrower might exercise, to use such equipment as Borrower might use, and to collect such proceeds as Borrower might collect, all to protect and preserve Bank's rights hereunder and the Collateral. Borrower will immediately reimburse Bank for any expenses Bank may incur while acting as Borrower's Attorney in Fact.
14. **Endorser-Surety-Guarantor**—Borrower will, if any present endorser, surety, or guarantor, dies or does any act described in covenant 2, either, at Bank's option, pay all of Borrower's Indebtedness or substitute an endorser, surety, or guarantor acceptable to Bank.
15. **Purchase Money**—Borrower will, if Bank, as indicated herein, gives value to enable Borrower to acquire rights in or the use of Collateral, use such value for such purpose.
16. **Married Women**—If any Borrower is a married woman, recourse may be had against her separate property for the Indebtedness.

III. REMEDIES: Borrower understands and agrees that in the event that: (a) Any warranty or representation is false or is believed in good faith by Bank to be false; (b) any covenant or agreement is violated; or (c) Bank in good faith deems itself insecure (because the prospect of payment is impaired; the prospect of performance of any covenant or agreement is impaired; or the value or priority of the security interest is impaired), Bank, in addition to any other rights or remedies provided by law or the Agreement, and to the extent permitted by law, may at its option:

1. **Expenses**—incur expenses (including reasonable attorney's fees, legal expenses and costs) in exercising any right or power under the Agreement.
2. **Require Additional Collateral**—demand that Borrower provide enough additional Collateral to satisfy the Bank.
3. **Performance of Borrower's Obligations by Bank**—perform any obligation of Borrower, and may make payments, purchase, contest or compromise any encumbrance, charge or lien, and pay taxes and expenses.
4. **Set-Off**—exercise all rights of set-off and Banker's lien to the same effect and in the same manner as if no Collateral had been given.
5. **Default**—declare, without notice to the Borrower, that a default has occurred.
6. **Acceleration**—declare, without notice to the Borrower, that the entire Indebtedness is immediately due and payable.
7. **Possession**—if not then in possession of the Collateral, take possession of and protect the Collateral; require the Borrower or other person in possession to assemble the Collateral and make it available to Bank at a reasonably convenient place to be designated by Bank; render the Collateral unusable without removing it; and enter upon such lands and properties where the Collateral might be located.
8. **Notice**—notify other interested persons or entities of the default, acceleration and other actions of the Bank.
9. **Suit, Retention or Disposition of Collateral, Application of Proceeds**—sue the Borrower or any other person or entity liable for the Indebtedness; retain the Collateral in satisfaction of the obligation and Indebtedness; dispose of the Collateral; and apply the proceeds of disposition, including provision for reasonable attorneys' fees and legal expenses incurred by Bank; all as provided by law.

IV. RULES TO CONSTRUE AGREEMENT: Borrower understands and agrees that:

1. **Time of Essence**—Time is of the essence of the Agreement.
2. **Waiver**—Bank's acceptance of partial or delinquent payments or failure of Bank to exercise any right or remedy shall not be a waiver of any obligation of Borrower or right of Bank nor constitute a modification of the Agreement, nor constitute a waiver of any other similar default subsequently occurring.
3. **Entire Agreement**—The Agreement contains the entire security agreement between Bank and Borrower.
4. **Assignments, etc.**—The provisions of the Agreement are hereby made applicable to and shall inure to the benefit of Bank's successors and assigns and bind Borrower's heirs, legatees, devisees, administrators, executors, successors and assigns.
5. **Law Governing**—Subject to the terms hereof, this Agreement shall be construed and governed by the laws of the State of California.
6. **Multiple Borrowers**—When more than one Borrower signs the Agreement all agree:
 - a. **Construction**—that whenever "Borrower" appears in the Agreement it shall be "each Borrower."
 - b. **Breach**—that breach of any covenant or warranty by any Borrower may, at the Bank's option, be treated as a breach by all Borrowers.
 - c. **Liability**—that the liability of each Borrower is joint and several and the discharge of any Borrower, for any reason other than full payment, or any extension, forbearance, change of rate of interest, or acceptance, release or substitution of security or any impairment or suspension of Bank's remedies or rights against one Borrower, shall not affect the liability of any other Borrower.
 - d. **Waiver**—all Borrowers waive the right to require the Bank to proceed against one Borrower before any other or to pursue any other remedy in Bank's power.

STATE OF CALIFORNIA

County of Alameda

On this 12th day of August 1980 before me, Shirley W. Nelson, a Notary Public in and for the County of Alameda, State of California residing therein, duly commissioned and sworn, personally appeared John R. Perrott known to me to be the person whose name is subscribed to the within instrument and acknowledge that he executed the same.

In witness whereof, I have hereunto set my hand and affixed my Official Seal, at my office in the County of Alameda, the day and year in this certificate first above written.

Notary Public in and for the County of Alameda, State of California. My commission expires May 7, 1982.

